

TEN YEARS IN NEWARK

1967 - 1977

The following data represent changes in the social, physical, fiscal, and economic characteristics for the City of Newark. Most of the information is given for the years between 1967 and 1976. The data indicate that the industrial, commercial, and residential migration patterns during that period accentuated the social and economic decay that now characterizes the oldest urban centers. The slump in the City's economy has been provoked by rising factor costs, obsolescence of facilities, competitive disadvantages, and the move towards suburbanization. The impact has been most blatant in the area of manufacturing employment. Though industrial out-migration had begun long before 1967, the riots of that year accelerated the decline in the City's industrial sector.

Nonetheless, Newark has maintained and strengthened its function as an insurance, financial and government office center. In the last decade, the service industry gained 10,000 jobs while government offices, since 1952, have added 13,000 jobs. With an increased number of white-collar jobs, Newark has offset its industrial decline and retained its role as the dominant employment center for northern New Jersey.

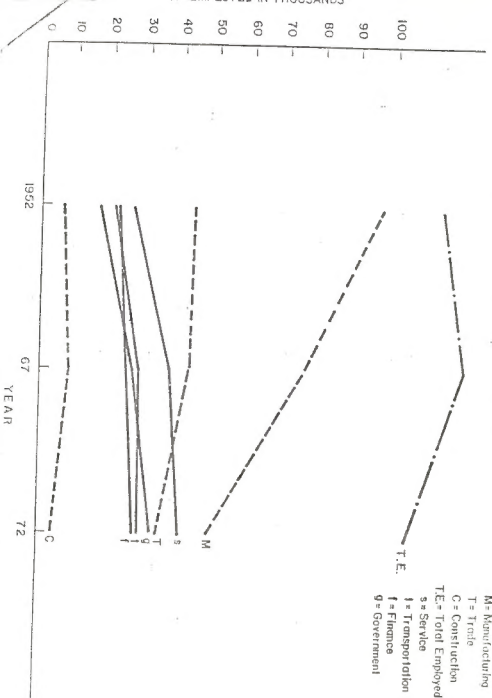
REPORT PREPARED BY
GREGG NEWARK CHAMBER OF COMMERCE
1977

POPULATION, LABOR FORCE, AND EMPLOYMENT

The figures on the following charts and graphs indicate significant decline in the size of Newark's population, labor force, and employment. Nonetheless, several industry groups in the manufacturing sector did experience an expansion between 1967 and 1972. Also, employment in transportation, finance, and government experienced growth during that same period. Growth continued in transportation employment between 1972 and 1975. Retail employment also increased during that period, though sales in that sector showed a decline. In contrast, wholesale trade declined in number of establishments and employees, though sales in that sector increased.

EMPLOYMENT IN NEWARK BY INDUSTRY

M = Manufacturing
 T = Trade
 C = Construction
 T.E. = Total Employed
 S = Service
 I = Transportation
 F = Finance
 G = Government



According to the Census of Manufacturing for 1967 and 1972, the number of establishments declined by 352, from 1413 to 1061. The number of employees decreased by 21,200 from 68,500 to 47,300. The following charts show the breakdown of industries (by SIC code) and employees for 1967 and 1972.

Industry Group	1967		1972	
	#Estab.	#Emp.	#Estab.	#Emp.
20 Food & Kindred Products	102	10,200	68	4,800
22 Textile Mill Products	23	800	(NA)	(NA)
23 Apparel, Other Textiles	180	6,600	127	5,600
25 Furniture & Fixtures	38	1,800	33	1,500
26 Paper & Allied Products	39	2,200	37	2,200
27 Printing & Publishing	143	4,200	107	2,600
28 Chemicals & Allied Products	134	6,700	100	5,100
30 Rubbers & Plastic Products	37	1,100	39	2,100
31 Leather & Leather Products	(NA)	(NA)	31	(D)
33 Primary Metal Industries	51	3,200	40	2,500
34 Fabricated Metal Products	183	5,200	149	4,800
35 Machinery, Except Electrical	127	3,300	87	1,100
36 Electrical Equipment Supplies	88	9,600	56	4,800
37 Transportation Equipment	(NA)	(NA)	14	(D)
38 Instruments & Related Products	23	1,300	16	1,200
39 Misc. Manufacturing Industries	128	3,800	87	3,100

Notes on above chart:

N.A. - Not Available

D - Withheld to avoid disclosing figures for individual companies.

EMPLOYMENT IN NON-AGRICULTURAL
ACTIVITIES IN NEWARK, (1966-1975)
(000)

	<u>1966</u>	<u>1969</u>	<u>1972</u>	<u>1975</u>
Manufacturing	77.3	67.1	54.9	46.4
Contract Construction	8.4	8.2	5.8	4.3
Transportation	14.2	19.4	15.8	16.3
Communication & Public Utilities	9.8	10.9	10.8	10.5
Wholesale Trade	18.2	17.6	13.5	10.0
Retail Trade	23.6	22.2	20.6	21.5
Finance, Insurance & Real Estate	22.9	24.3	25.9	17.5
Services & Mining	35.4	83.6	39.9	30.5
Government	25.8	28.1	30.5	18.9
Federal	-	-	5.8	6.1
State	-	-	4.3	4.6
Local	-	-	20.4	8.2
 TOTAL	 <u>235.6</u>	 <u>281.4</u>	 <u>217.7</u>	 <u>175.9</u>

SOURCE: Centaur Report, Centaur Management Consultants, p. 40.

* 1975 figures are estimates from the Department of Labor and Industry

BUSINESS EXPANSION AND CONTRACTION
1967 - 1972
(in Millions of Dollars)

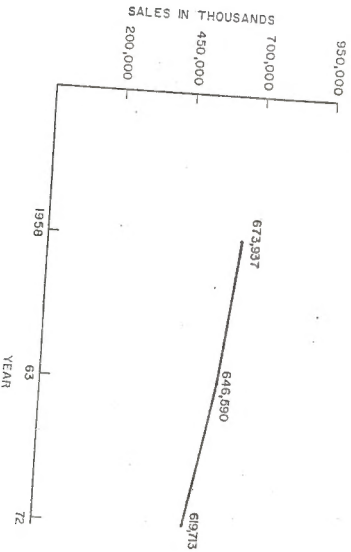
SIC CODE	VALUE ADDED			VALUE OF SHIPMENTS			CAPITAL EXPEND		
	1967	1972	% CHANGE	1967	1972	% CHANGE	1967	1972	% CHANGE
21	120.3	97.7	-55.7	516.6	310.5	-39.9	35.1	6.5	-81.4
22	15.5	(NA)	-	30.3	(NA)	-	1.1	(NA)	-
23	48.7	49.1	+8	90.3	95.7	+6.0	.5	.8	+60.0
25	18.9	25.2	+33.3	36.2	43.6	+20.4	(D)	(D)	-
26	28.0	38.5	+37.5	64.9	76.8	+18.3	1.2	1.2	0.0
27	63.0	57.4	-8.8	91.9	86.3	-6.1	(D)	2.6	-
28	149.7	141.7	-5.3	340.3	326.9	-3.9	15.1	7.5	-50.3
30	12.2	35.5	+190.0	20.9	68.9	+229.6	.7	2.7	+285.7
31	(NA)	(D)	-	(NA)	(D)	-	(NA)	(D)	-
33	43.2	55.2	+27.7	272.0	218.8	-19.5	7.9	.9	-88.6
34	59.4	78.4	+32.0	92.2	120.0	+30.2	2.4	3.0	+25.0
35	61.8	20.1	-67.5	87.1	33.2	-61.9	1.5	.4	-73.3
36	119.8	81.8	-31.7	196.8	128.1	-34.9	4.4	1.5	-65.9
37	(NA)	(D)	-	(NA)	(D)	-	(NA)	(D)	-
38	18.1	29.1	+60.7	29.8	42.4	+29.7	.4	.6	+50.0
39	38.3	40.6	+6.0	72.7	72.7	0.0	2.7	2.2	-18.5

Industry groups experiencing expansion between 1967 and 1972:
 SIC CODES 23, 25, 26, 30, 33, 34, 38

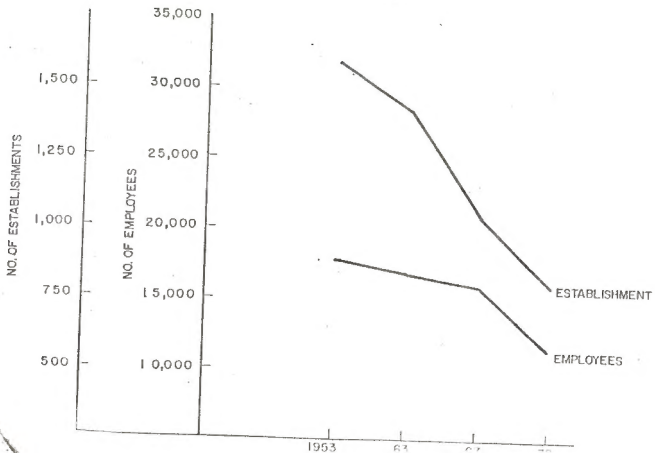
Industry groups experiencing contraction between 1967 and 1972:
 SIC CODES 20, 27, 28, 35, 36

Industry groups for which there was insufficient data:
 SIC CODES 22, 31, 37

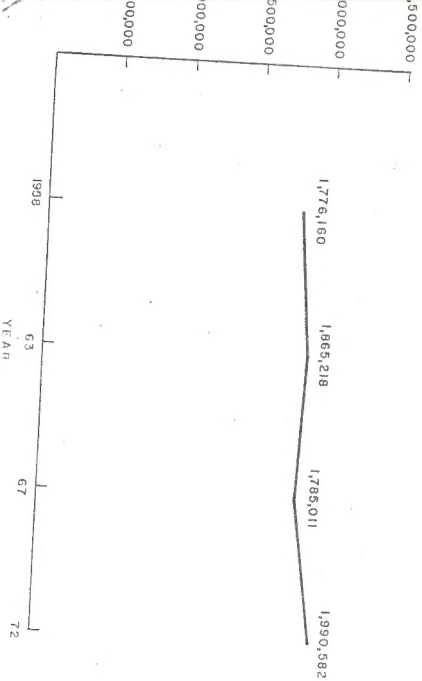
SALES (RETAIL)



WHOLESALE TRADE



SALES (WHOLESALE)

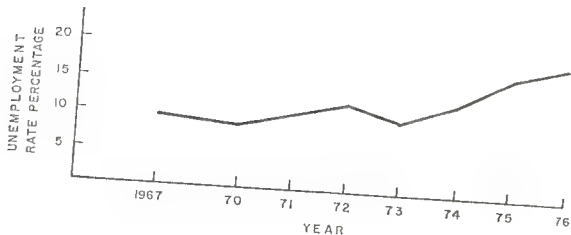


LABOR INFORMATION JANUARY-MARCH-1977

	Labor F.	Employment	Unemployment	Unemployment Rate	Method	Month
Newark	163,585	133,605	29,980	18.3%	SM	Jan.
	160,065	132,206	27,859	17.4%	FM	Jan.
NLA	929,700	837,900	91,800	9.9%	SM	Jan.
NLA	911,000	825,000	85,200	9.4%	FM	Jan.
State	3,326,800	2,981,100	345,700	10.4%	SM	Jan.
State	3,296,000	2,975,200	320,800	9.7%	FM	Jan.
Newark	165,618	136,104	29,514	17.8%	SM	Feb.
Newark	158,950	131,579	27,371	17.2%	FM	Feb.
NLA	938,700	852,700	86,000	9.2%	SM	Feb.
NLA	904,100	824,300	79,800	8.8%	FM	Feb.
State	3,399,900	3,062,600	337,300	9.9%	SM	Feb.
State	3,273,900	2,960,600	313,300	9.6%	FM	Feb.
Newark	165,491	137,731	27,760	16.8%	SM	March
Newark	158,760	133,152	25,617	16.1%	FM	March
NLA	954,800	849,500	105,300	11.0%	SM	March
NLA	920,600	825,200	95,400	10.4%	FM	March
State	3,415,400	3,036,000	379,400	11.1%	SM	March
State	3,299,200	2,955,500	343,700	10.4%	FM	March

NOTE: NLA - (Newark Labor Area) Consists of Essex, Union and Morris Counties
 SM - State Method
 FM - Federal Method

AVERAGE ANNUAL RATE OF
UNEMPLOYMENT IN NEWARK



AVERAGE ANNUAL UNEMPLOYMENT RATE

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u> </u>
1967	9.11%	-	-	-
1970	7.8%	5.3%	10.2%	4.9%
1971	9.8%	6.7%	6.9%	5.9%
1972	10.5%	7.2%	5.6%	5.6%
1973	9.1%	6.2%	5.8%	4.9%
1974	11.3%	7.8%	5.7%	5.5%
1975	17.7%	12.5%	4.6%	8.5%
1976	17.1%	12.0%	9.8%	7.5%

Source City of Newark, Notice of School Bond Sale, 1976

REAL ESTATE

The age of the City's housing stock is a major cause for the increase in the number of deteriorated and dilapidated structures. The City currently faces a severe shortage of housing for all income groups. Efforts are on-going, however, to increase the size of the housing stock, particularly for low-income groups and the elderly. There are several rehabilitation programs designed to offer financial assistance to homeowners who wish to improve or repair their property. Assistance is available in the form of low interest loans, grants, and rebates.

Newark's property taxes have been, over the past few years, one of the highest rates in the country. This has primarily been a result of the flight of industrial and middle-class property owners from the City, as well as, a substantial increase in the number of tax exempt properties.

AGE OF CITY'S HOUSING STOCK

<u>Year of Construction</u>	<u>Units</u>	<u>Percent</u>
1939 or Earlier	87,172	68.1
1940 - 1949	16,447	12.9
1950 - 1959	12,637	9.9
1960 - 1964	5,995	4.7
1965 - 1968	3,834	3.0
1969 - 1970	1,290	1.0

Source: Census Bureau (1970) - City of Newark, School Board,

NUMBER OF UNITS OF HOUSING BY CONDITION OF STRUCTURE (1970 - 1975)*

<u>Structure Condition</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
Good	56,209	54,615	53,077	51,592	50,159	48,775
Fair	48,878	49,056	49,178	49,243	49,253	49,213
Deteriorating	13,441	14,322	15,178	16,728	17,507	18,258
Delapidated	3,666	3,358	3,091	2,864	3,149	3,002
Total	122,194	121,351	120,524	120,427	120,068	119,249

COMPOSITION OF OWNERSHIP

<u>Type of Ownership</u>	<u>Unit</u>	<u>Percent</u>
Owner occupied	24,932	19.6%
Renter occupied	96,109	75.4%
Vacant	<u>6,383</u>	<u>5.0%</u>
Total	127,424	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 1970.

The number of vacant units has recently increased to 8,700. Approximately 25% of these units are FHA or VA foreclosed properties, some of which may be suitable for rehabilitation. Between 1,000 and 1,500 residential structures are expected to be demolished and a reduction in the size of the City's housing stock will result.

For the past two years, 6,000 units of new housing have been commenced in the City, representing an investment of \$200,000,000 primarily in Federal sources but augmented by State and private funds.

Newark Housing Stock-1976

Total occupied units		
Substandard-occupied	10,485	115,226
Standard - occupied	104,741	
Total vacant available units		
Substandard-available	3,473	4,630
Standard - available	1,158	
Total housing stock available		
Total Substandard units	13,958	119,856
Percent Substandard units	11.6	

SOURCE: Newark Housing Assistance Plan

BUILDING AND CONSTRUCTION & PERMIT ACTIVITY
FOR THE CITY OF NEWARK

1966 - 1975

<u>Total</u> <u>No Permits</u>		<u>New Housekeeping</u> <u>Permits # Units</u>		<u>New Non-</u> <u>Residential</u> <u>All Categories</u>	<u>Demolitions</u> <u>Permits # Units</u>	
1966	1,968	32	1,502	50	321	529
1967	1,717	21	1,329	56	284	669
1968	1,574	41	1,107	47	503	1,480
1969	1,481	6	471	56	440	1,093
1970	1,549	8	26	61	508	1,181
1971	2,039	5	226	27	352	731
1972	2,380	14	385	27	545	1,690
1973	1,642	22	901	29	336	788
1974	1,461	-	-	-	-	-
1975	1,656	-	-	-	-	-

PROPERTY TAX RATE

<u>Year</u>	<u>Municipal Tax Rate Per \$100.00</u>	<u>School Tax Rate Per \$100.00</u>	<u>County Tax Rate Per \$100.00</u>	<u>Veteran's & Sr. Citizens Deductions.</u>	<u>Total Per \$100.00</u>
1966	-	-	-	-	\$ 5.97
1967	-	-	-	-	7.76
1968	-	-	-	-	7.90
1969	-	-	-	-	8.30
1970	\$3.84	\$3.01	\$1.54	\$.05	8.44
1971	2.95	4.26	1.93	.05	9.19
1972	2.95	4.68	1.95	.05	9.63
1973	2.77	4.68	1.89	.05	9.39
1974	2.92	3.70	1.93	.05	8.60
1975	5.03	2.74	2.12	.05	9.94
1976	5.38	1.90	2.17	.05	10.00

Source City of Newark, Notice of School Bond Sale,
 December, 1975 (data for 1966 - 1969);
 December, 1976 (data for 1970 - 1975).

TAXABLE AND NONTAXABLE REAL PROPERTY LINE ITEMS

1968 - 1976

	<u>Taxable</u> <u>No.</u> <u>% Change</u>	<u>Tax Exempt</u> <u>No.</u> <u>% Change</u>
1968	48,487	2,731
1969	45,857 -5.4%	3,128 14.5%
1970	46,334 1.0%	3,234 .3%
1971	45,114 -2.6%	4,220 30.4%
1972	44,765 .7	4,362 3.4%
1973	43,417 -3.0	5,536 27.0%
1974	42,791 -1.4	6,062 9.5
1975	42,155 -1.4	6,429 6.1
1976	41,650 -1.2	6,927 7.8

PROPERTY EXEMPT FROM TAXATION

Year	No. Assessments	Total Assessments	Gain (or Loss)		Percent Change No. Assessments	Percent Change Total Assessments
			No. Assessments	Total Assessments		
1965	1,923	\$496,819,300	-	-	-	-
1966	1,817	518,136,000	(106)	\$24,316,700	-5%	5%
1967	2,272	534,335,300	455	16,199,300	20%	3%
1968	2,731	549,631,100	459	15,295,800	17%	3%
1969	3,128	568,197,000	397	18,566,400	13%	3%
1970	3,234	651,718,000	106	83,531,100	3%	13%
1971	4,220	683,274,800	986	31,556,200	27%	5%
1972	4,362	819,411,300	112	136,136,500	3%	17%
1973	5,536	864,945,800	1,174	45,531,500	27%	6%
1974	6,302	896,990,400	526	32,044,600	3%	4%
1975	6,429	904,191,900	367	7,201,500	6%	1%

ASSESSED AND TAX EXEMPT VALUATION

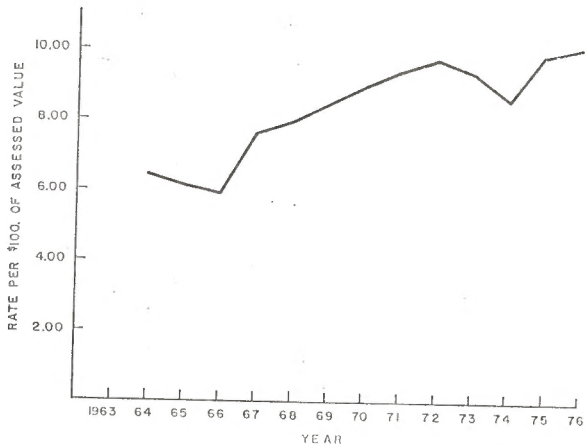
Year	Municipal Valuation		Tax-Exempt Valuation	
	Amount	% Change	Amount	% Change
1970	\$1,242,136,700.	-	651,718,600	-
1971	1,224,880,500	-1.4%	683,274,800	4.8%
1972	1,213,777,500	-0.9%	819,411,300	19.3%
1973	1,212,616,400	-0.1%	864,945,800	5.5%
1974	1,200,804,900	-0.9%	896,990,400	3.7%
1975	1,187,250,100	-1.1%	904,191,900	0.8%
1976	1,191,268,600	0.3%	1,055,404,700	16.7%

REAL PROPERTY NUMBER OF ASSESSMENTS
BY CLASSIFICATION

1966 - 1976

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
1966	2185	34,301	7,838	1,613	4,068
1967	2182	33,650	7,681	1,605	4,015
1968	2209	33,312	7,498	1,578	3,890
1969	2312	30,916	7,310	1,570	3,749
1970	2369	31,785	7,078	1,531	3,571
1971	2432	31,213	6,608	1,490	3,371
1972	2577	30,849	6,674	1,486	3,179
1973	2479	30,173	6,380	1,431	2,954
1974	2461	29,909	6,234	1,404	2,783
1975	2464	29,600	6,078	1,382	2,631
1976	2701	29,185	5,899	1,358	2,497

PROPERTY TAXES



FISCAL STATUS OF THE CITY

The City is responsible for and maintains police, fire, sanitation, water, library, and certain park facilities and other services. Although the City is additionally responsible for the financing of local primary and secondary educational expenditures, an appointed Board of Education administers the City's school system.

Since 1973, the City has experienced difficulty in arranging for both bond anticipation and tax anticipation borrowing that was necessary to meet current obligations. In response to this difficulty, the City undertook a series of steps to improve its financial position:

1. The 1976 school capital construction requirements were met from the use of a State approved inter-fund transfer of existing bond proceeds.
2. The 1976 municipal capital construction requirements were met from a line of credit arranged by local financial institutions.
3. No new capital construction projects were authorized.
4. \$15,646,110 of existing unfunded bond authorizations for projects which were completed, abandoned or never initiated were cancelled. Additional cancellations are currently being accomplished.
5. The City developed a capital financing plan for the period October, 1978 to October, 1978. The major provisions will:
 - . limit the issuance of long-term debts over the two-year period to a maximum of \$47,000,000.
 - . qualify the full amount of this debt pursuant to the provisions of the qualified bond acts.

- . call for the retirement of certain notes originally issued in 1974 from the 1977 municipal and water operating budgets.
 - . prohibit the authorization of any additional debt prior to 1978.
6. A combined program of tax prepayments and increased collections of outstanding receivables was instituted to limit tax anticipation note needs to \$5,000,000.

The City's liquidity, as measured by a comparison of cash investments with liabilities, resulted in a modest cash surplus as of December 31, 1973 of \$1,741,493; a \$10,931,724 deficit in cash surplus as of December 31, 1974; and a \$20,864,463 deficit in cash surplus as of December 31, 1975. The circumstances during 1975 which resulted in the deficit in operations, also contributed to the size of the deficit in cash. The City expects that liabilities will exceed cash and investments as of December 31, 1976, but that the liquidity position of the City will show considerable improvement.

CITY OF NEWARK CURRENT FUND
EXCESS (DEFICIT) OF REVENUES REALIZED IN CASH OVER
REVENUE ANTICIPATED

1966 - 1974

1966.....\$ 872,069	1971.....\$(49,687)
1967.....4,317,019	1972.....11,948
1968.....914,605	1973.....2,726,383
1969.....521,456	1974.....(4,829,214)
1970.....1,003,892	